

PROFFER OF EVIDENCE OF MID-RIVERS TELEPHONE COOPERATIVE

Vernon Stickel, if called to testify would state as follows:

My name is Vernon Stickel, I am the Accounting Manager for Mid-Rivers Telephone Cooperative, Inc. Circle, Montana. I have held this position since November 1998. Prior to that time I was the Accounting Supervisor for Mid-Rivers. I have a degree in Accounting.

Mid-Rivers Telephone Cooperative provides local exchange service and other telecommunications services to approximately 18,000 access lines in 34 exchanges in rural areas of Montana. Mid-Rivers is a rural telephone company as that term is defined in the Communications Act. The largest town served has a population of approximately 8,000. Mid-Rivers' operating environment, both financial and geographic, is substantially different from that of the Regional Bell Operating Companies. For example, Qwest, the RBOC that provides service in other areas of Montana, serves 24 million access lines in 14 states, including the capitals and all major cities in those states.

Access revenues constitute approximately 60% of the annual local exchange gross revenues of Mid-Rivers. For the first six months of 2002, Mid-Rivers billed \$6,072,000 in access charges, of which WorldCom was billed \$1,314,000. Billing to WorldCom accounted for 21.64% of total access revenues and 11.79% of total operating revenue for that period.

In the event of a post-petition default by WorldCom, Mid-Rivers anticipates that it will incur approximately \$629,000 of uncollected pre-petition charges and around \$219,000 per month in post-petition charges for each month thereafter. Under existing regulations and Mid-Rivers' tariffs, it would take over two months from the date of an unpaid bill and over three months from the first date of service to discontinue service to WorldCom upon default.

For the six months ending June 2002, Mid-rivers rendered 149 access bills to WorldCom. Of those, 138 were either paid late or not at all.